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August 11, 2017

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VIA HAND DELIVERY

Mr. James Wasilak
Chief of Planning, City of Rockville
111 Maryland Avenue
Rockville, Maryland 20850

Re: Twinbrook Redevelopment – Application for Pre-Application Meeting (“PAM”) for
Redevelopment of 1500–1616 Rockville Pike, City of Rockville (the “Property”)

Dear Mr. Wasilak:

On behalf of Saul Holdings Limited Partnership (the “Applicant”), please find enclosed an application (the “Application”) for a Pre-Application Meeting and the associated submittal requirements for the Property, submitted pursuant to Section 25.07.07.1 of the City of Rockville (the “City”) Zoning Ordinance (the “Zoning Ordinance”). This cover letter incorporates the information required by the PAM Application form for “Project Description and Scope of Work Narrative”.

The Application proposes redevelopment of the Property that will transform several blocks of outdated existing single-story commercial uses and vast surface parking into a new “destination location” integrating 10 mixed-use buildings with urban features necessary for a transit-oriented community, including a landscaped pedestrian promenade adjacent to Rockville Pike, one new north-south and two new east-west connector streets, underground and aboveground structured parking, open areas and public use spaces, and related amenities (the “Project”). Following this Application and the subsequent necessary processes, including a pre-application community meeting, the Applicant intends to file a Project Plan application (the “Project Plan”) pursuant to Section 25.07.07.3 of the Zoning Ordinance.

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PROPERTY DESCRIPTION

The Property is zoned Mixed-Use Transit District (“MXTD”) and is located within the boundaries of the 2016 Rockville Pike Neighborhood Plan (the “Rockville Pike Plan”).¹ The Property is composed of six parcels and/or lots totaling approximately 18.36 acres, bordered by Rockville Pike to the west, the Metro tracks and CSX/MARC rail line to the east, Halpine Road to the south, and a large commercial property to the north. The specific parcels and lots that comprise the Property are identified in the chart included below:

Tax ID #	Property Address	Block	Lot	Parcel	Land Area (sf)	Plat #	Dedications
04-00154762	1500 Rockville Pike	A	2	N054	291,705	8037	None listed on plat
04-01781073	1580 Rockville Pike	A	17	N108	52,156	11607	None listed on plat
04-00157355	1582 Rockville Pike	A	5	N110	57,807	9008	None listed on plat
04-00156271	1584 Rockville Pike	A	7	N160	46,619	9266	None listed on plat
04-03074041	1592 Rockville Pike	A	P24	N210	293,979	19548	2,618 sf
04-03418707	1616 Rockville Pike	A	25	N275	56,449	22661	169 sf

The Property is currently improved with approximately 240,756 square feet of single-story retail, office, and restaurant uses, including approximately 12 acres of surface parking. The properties immediately to the north, south, and west across Rockville Pike are similarly commercial in nature and use, with single-story retail uses and vast amounts of surface parking. The properties further to the south across Halpine Road are developed with a Hilton hotel as well as the “Galvan” at Twinbrook, which includes multi-family residential dwellings above ground-floor retail and restaurant uses; to the south and east of the Metro tracks and CSX/MARC rail line are the “Alaire” at Twinbrook Station and the “Terano” at Twinbrook Metro (both multi-family residential above ground-floor retail and restaurant). To the east of the Property, across the Metro tracks and CSX/MARC rail line, are industrial/commercial properties as well as single-family residential homes. Proposed building heights for the Project are respectful of the proximity of the Project to single-family dwellings – where the proposed Project heights are lowest, near the northern end of the Property, the nearest single-family home is located approximately 150 feet from the nearest edge of the Property; where the greatest heights are proposed, near the southern end of the Property, are industrial/commercial properties, with single-family homes located beyond, the nearest of which is well over 400 feet from the edge of the Property.

¹ The City of Rockville Mayor and Council (“Mayor and Council”) adopted the Rockville Pike Plan on August 1, 2016 to update a portion of the City’s 2002 Comprehensive Master Plan and replace the 1989 Rockville Pike Neighborhood Corridor Plan.

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Located just 600 feet from the entrance to the Twinbrook Metro Station, the Property is ideally situated for a transit-oriented, mixed-use “destination location,” with quality public and private amenities that are complemented by multimodal transportation facilities. The Property is a short ride north or south on Metro’s Red Line to downtown Rockville, the National Institutes of Health, Bethesda, or downtown Washington, D.C. The Property is also within easy walking distance of significant office and retail concentrations in the vicinity of the Twinbrook Metro Station, and enjoys excellent access in all directions via major arterial roads such as Rockville Pike, Twinbrook Parkway, Montrose Road, and Veirs Mill Road.

BACKGROUND AND SCOPE OF WORK NARRATIVE

The Mayor and Council previously approved Project Plan No. PJT2012-00002 (the “Prior Project Plan”) for the 6.75+/- acre portion of the Property identified as 1592 Rockville Pike on June 4, 2012. The Prior Project Plan authorized development on this portion of the Property with up to 792 multi-family dwelling units, a 190-room hotel with 2,000 square feet of assembly area, 162,000 square feet of office, 36,000 square feet of health club, 39,000 square feet of retail, 14,000 square feet of restaurant, and 1,278 structured parking spaces. Subsequently, the City of Rockville Planning Commission (the “Planning Commission”) approved Site Plan No. STP2013-00140 (the “Prior Site Plan,” and collectively with the “Prior Project Plan” the “Prior Approvals”) for a portion of the Prior Project Plan (the southern- and western-most portions), located between Rockville Pike and the proposed Chapman Avenue Extension and south of the proposed new Festival Street. The Prior Site Plan allowed development with up to 407 multi-family dwelling units, up to 140,000 square feet of office, up to 10,000 square feet of retail, up to 9,000 square feet of restaurant uses (plus up to 1,500 square feet of outdoor restaurant seating), up to 44,000 square feet of health club, and a 781-space parking garage.

In assembling the Property, it became evident that the long-term future of the Property and the area as a whole would be best served by allowing the Prior Approvals to expire for that portion of the Property for which the Prior Approvals existed. This way, with the Applicant intending to own and manage the Project for the long-term and to implement the approvals over a multi-year period of time, the Property could be comprehensively planned and designed as one cohesive community. As the City has undertaken its work on the Rockville Pike Plan over the past several years, the Applicant has actively participated in the discussions, hearings, and worksessions on the Plan, helping to shape this new transit-oriented community that will vastly help to transform this strategic area within the City from “suburban” to “urban”.

There are a number of processes related to the comprehensive planning and zoning for the Rockville Pike Plan and necessary for the Project that are still underway. Over the next several months, the Mayor and Council will review a Zoning Text Amendment (“ZTA”) that would effectuate changes to the Zoning Ordinance to bring it into alignment with the recommendations

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of the Rockville Pike Plan. City Staff has also introduced a Sectional Map Amendment (“SMA”) which would rezone properties, including the Property, located within the Rockville Pike Plan pursuant to the new zones recommended by the Plan and implemented by the ZTA. By commencing the approval processes for the Project now, with the end-goal and objectives of the Project aligning with the overall intents and objectives of the Rockville Pike Plan, the Project can be front and center to the remaining comprehensive planning and zoning processes for this area.

The Applicant believes that the area surrounding the Twinbrook Metro Station shows enormous promise now and well into the future in terms of redevelopment opportunities and strong economics in this mixed-use, transit-proximate destination. Given the large size of the Property and the magnitude of the Project, this is a very long-term hold and build-out for the Applicant – extending at least several decades into the future. For these reasons, the Project Plan that the Applicant will be submitting following this pre-application process will propose both an extended validity period to allow for build-out of the Project over the next several decades, as well as an overall “trip cap” on the uses that are proposed to allow for flexibility in the ultimate mix of uses and in which buildings and phases of the Project such uses are constructed. The long-term success of this large redevelopment will require that certainty be provided that the approvals can be implemented without interruption and in a manner that will allow the Project to be responsive to market conditions. This necessary certainty will protect both the Applicant and the public, with assurances being provided for both that what is being started will be allowed to be completed.

Specifically, Section 25.07.07.18.b of the Zoning Ordinance provides that if construction on all phases of an approved Project Plan has not commenced within the time period set forth in the Project Plan approval, the Project Plan approval will expire. Section 25.07.07.18.a also requires that a site plan application implementing all or a portion of a Project Plan be filed within six (6) months of the date of the Mayor and Council’s approval of the Project Plan, or within such other period of time as may be provided in the approval. While the Applicant expects to file a site plan application for the first phase of the Project within six months of the Mayor and Council’s approval of the Project Plan (in compliance with subsection (a)), the Applicant will be requesting per subsection (b) that the Project Plan remain valid so long as construction has commenced on all phases within 30 years of the Mayor and Council’s approval of the Project Plan.

With respect to the ultimate amount and mix of uses proposed for the Project, the Applicant will be proposing under the Project Plan a maximum number of residential dwelling units and square footage of non-residential uses for the overall Project. However, given the size of the Project and the long-term ultimate build-out, there is simply no way to predict the actual amount of individual uses to be constructed years into the future. For this reason, the Applicant will be requesting that the amount and mix of uses proposed be used to establish an overall “trip cap” for

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the full build-out of the Project. At such time that site plan applications are submitted for each phase and/or building, the uses proposed by that site plan will be specified and the amount of the trip cap utilized both by that site plan application and any other prior site plan approvals will be determined. The Project could not exceed the trip cap approved by the Project Plan without the Applicant seeking an amendment to the Project Plan. However, to the extent that the trips generated by the amount and mix of uses fall within the trip cap, there would be flexibility to adjust the uses proposed in accordance with the demand and market dynamics of the time, without having to amend the Project Plan. For the same reason, while the Project Plan will generally indicate the uses envisioned for each proposed building, the Applicant will not be delineating specifics related to each building, with the exception of proposing a minimum and maximum building height for each, nor will it be specifying phasing of site plan applications and construction. Specific uses and amounts, and any associated phasing, will instead be determined at the time of each site plan application. At the time of Project Plan, the Applicant will also be requesting a parking reduction pursuant to Section 25.16.03(h)(1) of the Zoning Ordinance.

In addition, in conjunction with filing of the Project Plan, the Applicant will be seeking designation as a "Rockville Champion Project" pursuant to the Rockville Pike Plan. While the ZTA provides that an applicant may request designation of a project as a "Rockville Champion Project" at the Mayor and Council briefing on the Project Plan, it is unlikely that the ZTA will have been approved and taken effect prior to the Mayor and Council briefing on this Project. Notwithstanding, and given that it is vital that the Applicant have the assurances that this identification provides in advance of the public hearing process on the Project Plan itself, the Applicant will be including with its Project Plan application filing a request for designation of the Project as a Rockville Champion Project as part of the briefing process. As well, the Applicant will be working with City staff and officials to determine other zoning tools and processes that may be necessary and/or helpful to allow a project of this magnitude and significance to proceed through the approval processes with the certainty and assurances appropriate for both public and private investment and best interests.

The Applicant will be participating in the public hearing processes on the ZTA and SMA, and will be requesting that a project designated as a Rockville Champion Project be permitted to seek a waiver from Section 25.13.05(c)(6) of the Zoning Ordinance so that a project may include retail commercial uses by a single tenant occupying more than 65,000 square feet of floor area at the ground level. Further, the Applicant will be requesting that the ZTA reflect that a project designated as a Rockville Champion Project may exceed the signage limits imposed by Article 18 of the Zoning Ordinance, in order to allow such a project to more comprehensively and creatively incorporate signage into such a project.

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PROJECT DESCRIPTION

The Applicant proposes a complete redevelopment of the Property to transform the existing outdated and disconnected single-story retail uses and surface parking into a vibrant, transit-oriented, mixed-use “destination location”. The proposed 18.36-acre development site is situated on Rockville Pike adjacent to the Twinbrook Metro Station, with direct transit (including bus transit along the Pike), vehicular, and pedestrian access connecting the Property to the rest of the region. This dramatic redevelopment project is poised to create a world-class transit-oriented development (“TOD”) in the City of Rockville. As transit-oriented walkable urban places with 24/7 options to live, work, shop, and play are becoming increasingly sought after in and around our cities, this transformative project has been designed to provide convenient access to a dynamic mix of uses and amenities for residents, shoppers, workers, and the citizens of Rockville and its surrounds.

The Applicant envisions a well-situated mixed-use community with great shopping and dining offerings and complimentary retailers, active public spaces with programmed events, best-in-class office space, and a mix of residential units to accommodate a variety of family sizes and incomes. Highly-valued green and landscaped open spaces, including a large approximately 1.1-acre central park – the heart of the community – will offer residents and citizens of Rockville a place to gather as a community for both everyday activities and special community events. Likewise, the broad landscaped sidewalks and pedestrian walkways throughout will provide residents and visitors with places to walk, sit, dine, and people-watch. Leveraging all of these uses into a compatible and welcoming environment will create a wonderful pedestrian-friendly destination that will have a significant qualitative impact on the lifestyles of Rockville’s burgeoning community for decades to come. Ample fitness amenities and private rooftop courtyards are planned throughout for active and passive use by residents and tenants, providing a highly amenitized and highly sustainable community. Such a transformative combination of connected uses with convenient proximity to transit will provide the residents of Rockville and the greater DC metro area with a new amenity-rich community for decades to come.

The Project proposes an appropriate and complimentary mix of uses to activate the Property given its convenient proximity to the Twinbrook Metro Station. The Project is composed of ten mixed-use buildings ranging from 20 feet to 180 feet in height, as identified on the enclosed Pre-Application Site Plan. In total, the Project proposes development of up to 1,865 multi-family residential units, 431,440 square feet of office uses, 472,950 square feet of retail uses (composed of retail, restaurant, and grocery uses), and up to a 9,000 square-foot theater. Retail and dining uses are anticipated to comprise the majority of the ground floor uses. The Project is also anticipated to include an entertainment use with up to 226 seats in one of the buildings, to provide a cultural amenity to the community. However, as noted above, the Applicant will be

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requesting flexibility as part of the Project Plan to adjust the amount and mix of uses of this multi-phased development at the time of each site plan application.

The Project also includes construction of the landscaped and pedestrian-friendly Chapman Avenue Extension, running north-south, parallel to Rockville Pike from Halpine Road at the southern end of the Property to the northern edge of the Property. The Project will further knit together the street and pedestrian network in the area through construction of the east-west Festival Street, connecting Rockville Pike and the Chapman Avenue Extension, as well as the Congressional Lane Extension, similarly connecting the Pike and Chapman Avenue. The pedestrian experience will be further enhanced by a wide pedestrian promenade along the Project's Rockville Pike frontage.

Festival Street will be the "Main Street" of the Project. Entering the Project from Rockville Pike and moving eastward, residents and visitors will experience attractive landscape areas, sidewalk dining, and an array of retail offerings. As one approaches the Chapman Avenue Extension, the expansive central park will come into view. Retail kiosks, groves of trees, and landscaped plazas will provide the backdrop for unique events such as farmer's markets, community festivals, and live music events. The central park will be a place with a variety of offerings and experiences – a place to unwind, relax, dine, and meet up with friends. Building 8 is proposed to anchor the northern end of the central park and is designed for two levels of restaurant uses, with upper level dining terraces overlooking the central park.

Within the Property the streets will include convenient parallel parking and safe pedestrian crosswalks, and will be designed as neighborhood streets – to calm traffic and create a sense of "place". Areas within the Property will be designed with convenience in mind, from the convenient park drop-off south of Building 8, to designated valet areas, and easy access to structured parking garages. The pedestrian experience has been considered throughout, with a focus on residential lobby entrances and retail shops. Great care has been taken to limit truck traffic on the primary streets (the Chapman Avenue Extension, Festival Street, and the Congressional Lane Extension). Instead, pedestrians will experience semi-private courtyards, pocket parks, and promenades without the noise of truck traffic.

Buildings 1, 2, 3, 4, 5, 6, and 7 are all proposed to offer podium courtyards and amenities for residents and office workers. These "rooftop" areas will provide unique areas for congregation amongst lush landscape and hardscape designs. With connectivity to residential and office buildings, these areas are designed to be outdoor "extensions" of the buildings and offer social experiences in a private and engaging setting.

Buildings 2, 3, and 7, along with Building 1, front Rockville Pike – perhaps the region's best retail corridor. For that reason the Applicant envisions one- and two-story retail facades

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occurring on Rockville Pike at the base of the mixed use buildings with “prime” visibility. Buildings 2 and 3 will incorporate residential buildings above the podium, while Building 7 will incorporate an office tower above the podium. In all cases parking is proposed to be provided in structures above- or below-grade.

Buildings 4, 5, and 6 will all front the Chapman Avenue Extension with ground floor retail and restaurants and residential buildings above the podium. All parking will be provided in structures above- or below-grade, while all service will occur behind the buildings (on the east side) with a shared service drive.

Building 8, located in the center of the redevelopment, will be a two-story retail and restaurant building overlooking the central park and fronting the pedestrian promenade. Four-sided architecture with outdoor rooftop dining terraces and ground floor al fresco dining areas will provide a vibrant setting for social engagement and fine dining. Seen as a “signature” building, Building 8 will become a destination for the entire City of Rockville. The intent of the building is to provide second level outdoor dining to overlook events in the park – be they craft fairs, farmer’s markets, or live music – while anchoring the Chapman Avenue Extension, Congressional Lane Extension, and the pedestrian promenade along the east side of Building 7. It will be an important building because it is in the “center of the action”.

Whether arriving to the neighborhood by car, bicycle, or mass transit, residents, workers, shoppers, and visitors will have easy access to all the ample amenities of this sustainable “Smart Growth” community. The high visibility of this community from Rockville Pike will enable everyone – no matter their mode of transportation – to find an open and inviting urban setting. Drivers and bikers arriving from Rockville Pike, Halpine Avenue, Festival Street, Congressional Lane, or Chapman Avenue will be able to choose between bike racks, convenient on-street parking, or structured parking in a “park once” atmosphere throughout the site, with parking for a total of over 3,900 cars. Just steps away is the Twinbrook Metro Station, enabling transit riders to live, work, shop, and play in a car-free, 24/7 atmosphere.

LIST OF ENCLOSED APPLICATION PLANS AND MATERIALS

- (1) Completed Application for Pre-Application Meeting;
- (2) Application Filing Fee;
- (3) Preliminary Site Plan (12 copies; CD with pdf);
- (4) Project Description and Scope of Work Narrative (12 copies);
- (5) Transportation Scoping Intake Form (12 copies; separate check for filing fee);

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(6) Pre-Application Stormwater Management Concept Package (2 copies; separate check for filing fee);

(7) NRI/FSD approved by Forestry.

Thank you for your consideration of this Application. We look forward to completing the pre-application process, and to filing a Project Plan application which will more fully describe and depict this exciting Project. Should you have any questions or need any additional information at this time, please do not hesitate to contact us.

Very truly yours,

LINOWES AND BLOCHER LLP

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Enclosures

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